

ANNEX D
FINANCE SECTION

APPENDIX

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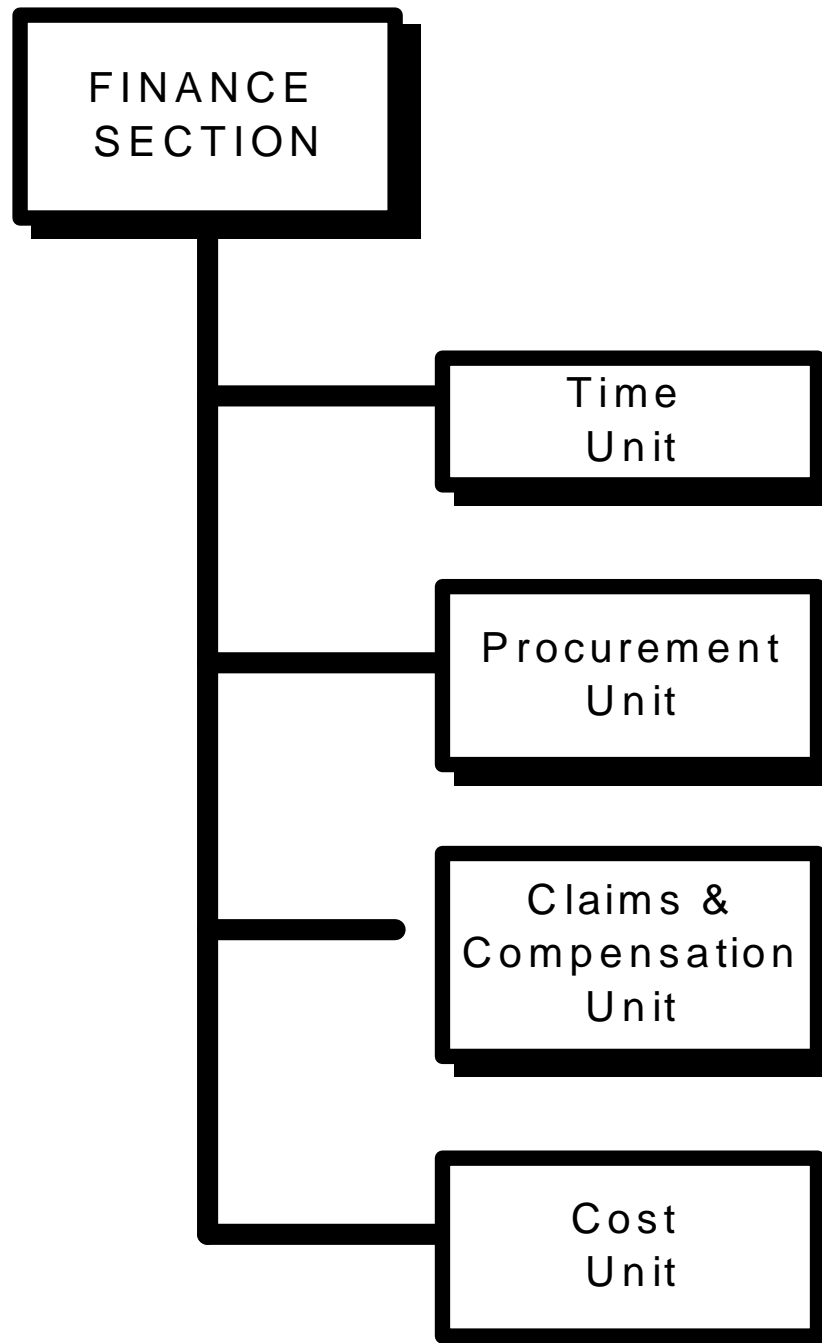
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ANNEX D TO THE CHARLESTON OIL AND HAZMAT AREA CONTINGENCY PLAN
FINANCE SECTION

The **Finance Section** is responsible for the centralized tracking and complete documentation of all incident costs and advising the Incident Commander on current and future expenditures, budget status and anticipated shortfalls. The finance section is also responsible for ensuring the appropriateness of contractor costs and issuing contracts for support items.

APPENDIX I TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
FINANCE SECTION ORGANIZATION



TAB a TO APPENDIX I TO ANNEX D OF THE CHARLESTON OIL & HAZMAT ACP
FINANCE SECTION CHIEF

References: (a) NPFC Technical Operating Procedures (TOPs)

The **Finance Section Chief** is responsible for all financial and cost analysis aspects of the incident. The Finance Section Chief is a member of the general staff and supervises and manages the members of the Finance Section. The Finance Section Chief shall:

- ◆ Review common responsibilities.
- ◆ Implement and manage the Finance Section branches and units needed to accomplish Finance Section actions.
- ◆ Meet with assisting and cooperating agencies and contractor representatives as required.
- ◆ Provide, manage, coordinate, document, and account for access to response funding sources, including the Oil Spill Liability Trust Fund (OSLTF), Natural Resources Damage Assessment Fund (NRDA), and other sources of response funding.
- ◆ Manage access to response funding sources including the Oil Spill Liability Trust Fund (OSLTF). Serve as the primary contact to the National Pollution Fund Center (NPFC) and the NPFC case officer to coordinate cost recovery actions. Manage response funding ceilings.
- ◆ Coordinate and ensure the proper completion of response cost accounting documentation.
- ◆ Coordinate and manage response ceilings, budgets and cost estimates.
- ◆ Ensure cost estimates and budgeting documents are prepared.
- ◆ Provide financial support for contracting services, purchases, and payments.
- ◆ Serve as the primary contact to the National Pollution Fund Center (NPFC) and the NPFC Case Officer to coordinate response cost recovery actions.
- ◆ Identify additional financial services resources or logistics support needed.
- ◆ Ensure the proper completion of response cost accounting documentation.
- ◆ Ensure time records are preserved for later use.
- ◆ Ensure obligation documents are initiated, properly prepared and completed.
- ◆ Brief superiors on incident related business issues needing attention and follow-up prior to or after leaving the incident.

- ◆ Evaluate and report to the Unified Command on status of Section's assigned responsibilities, as scheduled.
- ◆ Maintain Unit Activity Log (ICS 214).

TAB b TO APPENDIX I TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
TIME UNIT

The **Time Unit** is responsible for equipment and personal time recording. The Time Unit Leader shall:

- ◆ Review common responsibilities.
- ◆ Review Unit Leader responsibilities.
- ◆ Obtain briefing from Finance Section Chief.
- ◆ Determine resource needs.
- ◆ Establish contact with appropriate agency personnel/representatives.
- ◆ Ensure that daily time recording documents for personnel are prepared in compliance with time policies.
- ◆ Establish commissary operation as required.
- ◆ Submit cost estimate data forms to Cost Unit as required.
- ◆ Provide for records security.
- ◆ Ensure that all records are current or complete prior to demobilization.
- ◆ Release time reports from assisting agencies to the respective agency representatives prior to demobilization.
- ◆ Brief Finance Section Chief on current problems, recommendations, outstanding issues, and follow-up requirements.
- ◆ Maintain Unit Activity Log (ICS 214).

TAB c TO APPENDIX I TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
PROCUREMENT UNIT

The **Procurement Unit** is responsible for administering financial matters pertaining to vendor contracts. The Procurement Unit may also work with local jurisdictions to locate sources of equipment, prepare and sign rental agreements, administer the associated contractor paperwork. The Procurement Unit Leader shall:

- ◆ Negotiate, coordinate, document, and manage all contracts needed to support response operations.
- ◆ Coordinate with local jurisdiction on plans and supply sources.
- ◆ Prepare and sign contracts and procurement orders as needed.
- ◆ Manage, coordinate, document, and account for all procurement orders needed to support response operations.
- ◆ Arrange contracts through MLCA(fcp) for contractors who do not hold current basic ordering agreements (BOAs) with the Federal Government.
- ◆ Interpret contracts/agreements and resolve claims or disputes within delegated authority.
- ◆ Coordinate procedures for handling claims with Claims Branch.
- ◆ Manage, coordinate, document, and account for all payments made to support response operations.
- ◆ Identify additional resources and logistics support needed to accomplish contracting and procurement services.
- ◆ Maintain ongoing summary of funds obligated and keep Finance Section Chief informed.
- ◆ Complete final processing and send documents for payment.
- ◆ Report to the Finance Section Chief on the status of contracting, procurement, and payment services, as scheduled.
- ◆ Maintain Unit Activity Log (ICS 214).

TAB d TO APPENDIX I TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
COMPENSATION AND CLAIMS UNIT

The **Compensation and Claims Unit** is responsible for seeing that all forms for compensation/claims by workers and third parties are completed. Tort claims involving property are also handled in this branch. The Claim/Compensation Unit Leader shall:

- ◆ Review common responsibilities.
- ◆ Receive, coordinate, document, and process claims against the OSLTF, NRDA, or State funding sources.
- ◆ Designate source of spill and require responsible party to advertise for potential claims.
- ◆ Coordinate possible claims against the Oil Spill Liability Trust Fund (OSLTF).
- ◆ Determine need for claims specialist.
- ◆ Brief claims specialists on incident activity.
- ◆ Review logs of claims specialists to ensure completeness, accuracy, timeliness and in accordance with policies and procedures.
- ◆ Coordinate evaluation of personal property damage claims.
- ◆ Identify additional resources and logistics support needed to process claims.
- ◆ Ensure that all claims logs are up to date prior to demobilization.
- ◆ Report to the Finance Section Chief on the status of claims processing, as scheduled.
- ◆ Maintain Unit/Activity Log (ICS 214).

TAB e TO APPENDIX I TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
COST UNIT

The **Cost Documentation Unit** is responsible for recording all cost data for the incident. The branch ensures vendors providing equipment or services are properly identified and proper paperwork initiated, prepares estimates of future incident costs, and maintains accurate information on the actual use of resources. The Cost Documentation Unit Leader shall:

- ◆ Review common responsibilities.
- ◆ Initiate and review cost reporting procedures.
- ◆ Ensure all personnel/equipment requiring payment are identified.
- ◆ Obtain and record cost data in accordance with OSLTF and NPFC requirements including daily personnel time recording documents.
- ◆ Manage, coordinate, and perform cost documentation in accordance with OSLTF and State requirements to accounts to account for response costs.
- ◆ Plan, coordinate, document, and account for response costs based on the time personnel, equipment, and other resources are accountable to the response.
- ◆ Establish contacts with appropriate agencies if their activities will be paid out of OSLTF or CERCLA.
- ◆ Prepare incident cost summaries.
- ◆ Ensure that all cost documents are accurately prepared and submitted.
- ◆ Identify additional resources and logistics support needed to perform cost documentation and time keeping services.
- ◆ Make recommendations for cost savings to Finance Section Chief.
- ◆ Complete all records prior to demobilization.
- ◆ Report to the Finance Section Chief on the status of cost documentation, as scheduled.
- ◆ Maintain Unit Activity Log (ICS 214).

APPENDIX II TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP FINANCE CONSIDERATIONS

References: (a) NPFC Technical Operating Procedures (TOPs)
(b) D7 SOP
(c) 40 CFR 300, National Contingency Plan

1. DOCUMENTATION AND COST RECOVERY PROCEDURES.

a. Background. OPA 90 improved the procedures and availability of funding for all agencies and organizations (federal, state, and local) involved in pollution response.

- (1) **"Partial Federalization".** The most significant improvement brought about by OPA 90 is the ability of the FOSC to "partially federalize" a response. Prior to OPA 90, the FOSC could not pay for any resources out of the fund without taking over the entire spill from the responsible party.

Under OPA 90, the FOSC may allow the responsible party to continue all response efforts within their financial and management capability. The FOSC simultaneously may secure and direct additional response efforts using contractors or government personnel and equipment.

- (2) **The Oil Spill Liability Trust Fund (OSLTF).** The Emergency Fund portion of OSLTF will pay removal activities and to initiate natural resource damage assessments. There are provisions for the States to access these funds, and for the payment of claims for uncompensated removal costs and damages. The OSLTF is administered by the Coast Guard's National Pollution Funds Center (NPFC).
- (3) **The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).** Under CERCLA, the "Superfund" was established for responses to hazardous materials releases. Although the language of this Act is geared toward long term remedial actions, it is also the appropriate source of funding for emergency responses to hazardous materials. Access to the fund is coordinated directly through NPFC. The fund is administered by the USEPA.

b. Documentation and Cost Recovery. This portion of the operation begins at the time a pollution case number is assigned. Procedures and requirements increase as the size of the response operation increases.

- (1) **Assistance.** The FOSC can get assistance in fulfilling cost documentation requirements from the assigned Case Officer at the NPFC or from the District Response Assist Team (DRAT).
- (2) **Standard Rates.** Standard rates have been established for determining valid removal costs. These are published by the NPFC in their Technical Operating Procedures (TOPs). Contractor rates were negotiated at the time the Basic Ordering Agreements (BOAs) were developed. Other agencies and organizations have similar arrangements. If agencies, organizations, contractors, and others

involved in the response operation have not developed standard rate protocols, they should advise the FOSC so that similar arrangements can be developed.

- (3) **Non-federal organizations.** When filing a cost recovery claim, non-federal organizations may use the federal forms enclosed in this ACP, or use their own forms. However, their own forms need to be pre-approved by the NFPC.
- (4) **Submission Requirements.** For incidents where total expenditures are expected to be less than \$50,000, the FOSC will compile all cost documentation and forward the package at the conclusion of the response operation to the NPFC. For incidents where total expenditures are greater than \$50,000, this information must be compiled and forwarded to NPFC daily.

TAB a TO APPENDIX II TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
FOSC ACCESS TO THE VARIOUS FUNDS

References: (a) NPFC Technical Operating Procedures (TOPs)
(b) D7 SOP
(c) 40 CFR 300, National Contingency Plan

1. GENERAL. During a pollution response operation, the FOSC may determine that the operation has exceeded the \$25,000 limit. At that time the FOSC will access the applicable fund to continue the operation. For spills or potential spills involving petroleum products, the FOSC will access the Oil Spill Liability Fund established by OPA 90. For hazardous substance or material releases or potential releases, the FOSC will access CERCLA. Access procedures vary for each fund.

2. OIL SPILL LIABILITY TRUST FUND (OSLTF).

a. Federal Pollution Number (FPN).

- (1) **Getting an FPN**. The first step to access the fund is getting a Federal Pollution Number (FPN). The FOSC or representative obtains this number from Commander, Seventh Coast Guard District (m) (D7(m)) by calling on the telephone. D7(m) will normally approve the request, and establish an initial dollar ceiling for the operation. D7(m) will confirm the FPN and its ceiling by a message.
- (2) **Use**. This FPN serves as a control number for all documentation activities and communications. Once an FPN has been assigned, copies of all messages, letters, documentation must be forwarded to NPFC, Coast Guard Finance Center, Maintenance and Logistics Command (MLC), along with any other applicable addressees.
- (3) **Liquidation/Closing**. At the end of the operation, and when all reports are filed, the FPN and its "account" will be appropriately closed in accordance with procedures outlined in reference (a).
- (4) **Deactivation**. An FPN must be deactivated if after the number has been assigned no funds are expended. To deactivate the number and deobligate the funds, the FOSC must request D7(m) to cancel the number and appropriate message traffic must be sent.

b. Contracting Commercial Services.

- (1) **BOA**. If the contractor already has established a Basic Ordering Agreement (BOA) with the Coast Guard, the contractor is issued an Authorization to proceed. The FOSC must also send a message to the Coast Guard Maintenance and Logistics Command Atlantic (MLCLANT (fcp)) within 24 hours indicating that the Authorization to Proceed has been issued.

- (2) **Non-BOA.** If the FOSC would like to hire a contractor who does not have a BOA, the FOSC must have determined that a BOA contractor is not available or is unable to perform the requested tasks. D7(m) should then be notified of the OSC's intent to hire a non-BOA contractor. Once permission is granted from D7, the FOSC then issues an Authorization to Proceed, and sends a message to MLC as with a BOA contractor. This message should explain why a BOA contractor was not hired.

c. "Contracting" Other Federal Organizations. The FOSC may "hire" other federal organizations by using a Federal Agency Pollution Removal Funding Authorization. The organization will document its costs using the Pollution Incident Daily Resource Report and bill the fund using Form SF 1080.

d. "Contracting" Other Governmental Organizations. The FOSC may hire state and local governmental organizations by using a Non-Federal Agency Pollution Removal Funding Authorization. The organization will document its costs using the Pollution Incident Daily Resource Report or other system approved by the NPFC.

3. COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA) FUNDS (sometimes referred to as the Superfund).

a. Determine CERCLA applicability. Accessing CERCLA funds is appropriate when:

- (1) The material is a hazardous substance, pollutant, or contaminant that may present an imminent and substantial threat danger to the public health or welfare;
- (2) The material has been released, or there is a substantial threat of release, into the environment; or
- (3) The responsible party is not taking appropriate action, or the FOSC must monitor the responsible party's actions.

b. Contact the NPFC regional case manager. Once one of the above conditions is met, the FOSC or representative should contact the NPFC regional case manager or through the National Response Center (NRC).

c. Required information. The following information will be requested during that call:

- ◆ Name of incident
- ◆ Location of incident (may include facility name, address, city, state, zip code)
- ◆ Latitude and Longitude
- ◆ Estimate of initial cost estimate to be requested
- ◆ Substance(s) involved if known, and description of threat
- ◆ Name of contractor(s)
- ◆ Estimated duration of response

- ◆ Other forces activated by the FOSC in accordance with the NCP
- ◆ Responsible party, if known.

d. ID#. The NPFC will provide the CERCLA Funding Site ID# and ceiling limits verbally. This information will be confirmed by message, and will provide the name of the assigned NPFC Case Officer.

e. Use. This ID# should be used as the FPN was used -- on all documentation, message traffic, etc.

f. Deactivation. As with the FPN, if the ID# is not used the number must be closed and the funds deobligated.

g. Contracting provisions. Contracting procedures follow the same procedures as with an oil pollution incident.

4. DOCUMENTATION. During any incident, the Coast Guard will monitor the activities of all contractors hired by the FOSC as well as document its own costs. Other agencies will document their own costs on the appropriate forms. At the end of the response, all documentation will be submitted to the FOSC for verification and forwarding to the NPFC.

TAB b TO APPENDIX II TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
STATE ACCESS TO THE FUND

References: (a) NPFC Technical Operating Procedures (TOPs)

(b) D7 SOP

(c) 40 CFR 300, National Contingency Plan

(d) 33 CFR 133, State Access to the OSLTF

1. **GENERAL.** States may request reimbursement of removal costs of oil spills from the U.S. Coast Guard's, National Pollution Funds Center (NPFC). The NPFC administers the Oil Spill Liability Trust Fund (OSLTF), which was established for response compensation. Reimbursement of removal costs may be requested for discharges of oil or the substantial threat of a discharge of oil, into the navigable waters of the United States, when the responsible party is unknown as well as when the responsible party denies the claim or fails to settle within 90 days.

2. **HIGHLIGHTS.**

a. The fund may be accessed for recovery of costs incurred due to a discharge of oil, or the substantial threat of a discharge of oil into the navigable waters of the U. S.

b. Funds may be requested to cover investigative costs incurred and recoupment of natural resource damages.

c. A claim may not be submitted for reimbursement if litigation is pending.

d. The decision to pay the claimant will be based solely on the documentation provided within the claim. Therefore, it is essential to have a plan in place that will ensure proper documentation from the initial notification of the incident through to its conclusion.

e. In the absence of a responsible party, the efforts made in attempting to find them should be carefully documented as well.

3. **CLAIMS FOR REIMBURSEMENT.** The State may present claims to the NPFC for reimbursement of removal costs prior to submitting the costs to the responsible party. Claims for costs other than removal must first be presented to the responsible party for reimbursement.

The Governor of the State may, upon request, obligate the OSLTF for payment in the amount not to exceed \$250,000 per incident for removal costs consistent with the NCP. When the State is acting on behalf of the FOSC (EPA or USCG) there is no predetermined cost ceiling.

4. **PRESENTING THE CLAIM.** Due to the numerous specifics regarding claim submission, the procedures outlined in reference (a) should be referred to directly to ensure full reimbursement. The critical success factor is thorough documentation, and, although not required, the forms contained within reference (a) should be used for submission. Otherwise, standard State forms should be submitted to the NPFC in advance of any claim for approval.

TAB c TO APPENDIX II TO ANNEX D TO THE CHARLESTON OIL & HAZMAT ACP
LEAD ADMINISTRATIVE TRUSTEES' ACCESS TO THE FUND

References: (a) NPFC Technical Operating Procedures (TOPs)
(b) D7 SOP
(c) 40 CFR 300, National Contingency Plan

1. GENERAL. Lead Administrative Trustees are agencies with responsibilities for protecting specific areas or natural resources and assessing claims when they are damaged or lost. OPA 90 authorizes these organizations access to the fund through one administrative trustee known as the Lead Administrative Trustee (which must be a federal agency.) The designation of Lead Administrative Trustee is made for each spill based on the trustees jurisdiction and authority over the impacted area.

2. PROCESS. The Federal Lead Administrative Trustee (FLAT) will work directly through the NPFC for each incident requiring funds. The FLAT should submit a request for initiation of a natural resources damage assessment to the cognizant NPFC Regional Manager. The Regional Manager will assign a specific case officer to coordinate the approval process. Together, the NPFC case officer and FLAT will execute a Request and Authorization for Obligation of Funds.

Due to the numerous specific requirements of this process, the procedures outlined in reference (a) should be referred to directly.

